



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 6, 1997

Clayton L. Landa
Barrick Resources (USA) Incorporated
Barrick Mercur Gold Mine
P.O. Box 838
Tooele, Utah 84074

Re: Review of Amendment to Notice of Intention - Large Mining Operations, Barrick Resources (USA) Inc., Barrick Mercur Mine, M/045/017, Tooele County, Utah

Dear Mr. Landa:

The Division has completed a review of your revision/amendment to the Barrick Mercur Mine Notice of Intention. Documents which have been reviewed relevant to this proposal and the dates these documents were received are as follows: Notice of Intent to Revise Mining Operations ACT/045/017, June 28, 1996; letter requesting a change in submission status from revision to amendment, January 28, 1997; and a drawing titled Old and New Permit/Disturbed Area Boundaries received April 29, 1997.

The Division concurs with Barrick's assertion that this proposal should be considered as an amendment to the existing large mine operation rather than a revision. This proposal changes the mine plan by increasing the disturbed acreage for: haul roads, facilities, pits, topsoil stockpiles, and the category of "general disturbance areas." This proposal changes the mine plan by reducing the disturbances for: the valley fill leach areas, waste rock disposal areas and the tailings impoundment.

According to communications with Barrick, the increases in disturbed areas were mainly due to the addition of buffer zones and small disjointed parcels of land which were not included in the current plan. The decreases in disturbed areas were mainly due to the consolidation of waste dumps or changes in waste dump designs. The net effect of all these changes is a **68.01** acre *increase* in the total disturbed area. An additional clarification provided by Barrick was that the category of "General Disturbance Areas" included areas which were included within the permit boundary which were not disturbed and areas within the permit boundary which were disturbed. The new total disturbed area would be **1,787.71** acres.

The revised surety estimate for this amendment proposes a new surety amount of \$8,784,185 which is less than the current surety amount of \$8,800,000. The reasons for an increase in disturbed area, but a decrease in surety amount are: (1) a reduction in the actual area disturbed by the waste rock disposal areas from what was previously proposed, and (2) the omission of the clay layer in the cover


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design for valley fill heap #3. Barrick has proposed an alternate cover design eliminating the clay cap as originally planned for valley fill heap #3. The Division of Water Quality (DWQ) has approved a similar cap design for valley fill heap #2. It is our understanding that DWQ has not approved of the latest closure plan proposal for valley fill heap #3.

At this time, the Division cannot accept Barrick's proposed surety reduction until DWQ has made a final decision on the capping requirements for heap #3. Please provide a revised reclamation estimate which includes the cost for the clay cap on heap #3. Barrick may request a reduction in the surety amount at a future date if DWQ approves of an alternate closure design. The revised surety calculation should include escalation for five years at the Division's current projected annual rate of 2.52% (rather than 2.58%). Once we agree on the revised reclamation estimate, Barrick will also need to provide the Division with a new reclamation contract reflecting the new disturbed acreage and new dollar amount. It is possible that we may need to seek the Board's concurrence on the revised amount of surety. We will advise you accordingly. A copy of the current reclamation contract form (FORM MR-RC) is enclosed for your use.

Please contact me if you have any questions in this matter. Thank you for your continued cooperation and patience in finalizing this permitting action.

Sincerely



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
enclosures: Form MR-RC & Guideline
cc: Glenn Eurick, LAK Minerals/Barrick Corp. Office
Mary Ann Wright, DOGM
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